



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3077

## COMMITTEE ON BUDGET

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### **Voting Members:**

Joey Manahan, Chair  
Brandon J. C. Elefante, Vice Chair  
Ikaika Anderson  
Kymberly Marcos Pine

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# MINUTES

REGULAR MEETING  
WEDNESDAY, MAY 24, 2017

COUNCIL COMMITTEE MEETING ROOM  
2<sup>ND</sup> FLOOR, HONOLULU HALE  
HONOLULU, HAWAII 96813

*Note: A copy of the video of the full proceedings of this meeting may be requested by calling the City Clerk's Office at 768-5822.*

## CALL TO ORDER

The regular meeting of the Committee on Budget was called to order by Committee Chair Joey Manahan at 9:10 a.m. Voting Members Anderson, Elefante, and Pine were present at the meeting. Nonvoting Member Ozawa also attended the meeting.

## STAFF PRESENT

Mitchel Cabrerros, Legislative Analyst to Committee Chair Manahan  
Catherine Pligavko, Analyst, Office of Council Services  
Lloyd Yoshioka, Attorney, Office of Council Services  
Geoffrey Kam, Deputy, Department of the Corporation Counsel, assigned to the Committee  
Pearlene Otto, Council Committee Aide, Office of the City Clerk

## **ORDER OF BUSINESS**

## ADDENDUM

Committee Chair Manahan announced that addendum agenda Item 1, Bill 22 (2017), CD1, was cancelled and no public testimony would be taken on the item.

### APPROVAL OF MINUTES

The minutes of the Committee on Budget meeting held on April 5, 2017 were approved as circulated.

AYES: ELEFANTE, PINE, MANAHAN – 3.

NOES: None.

EXCUSED: ANDERSON – 1.

### ADDENDUM/SUNSHINE ITEMS

At this juncture, Committee Chair Manahan called for a motion, pursuant to HRS, Section 92-7, the Sunshine Law, to add to the agenda: Bill 46 (2017), relating to fees for use of municipal golf courses; Resolution 17-149, relating to the collective bargaining cost items for the Hawaii Government Employees Association Bargaining Units 2, 3, 4, and 13; Resolution 17-150, relating to the transfer of funds for the Department of the Prosecuting Attorney; and a discussion relating to the motor vehicle weight tax. Committee Member Elefante motioned and it was seconded by Committee Member Pine to add Bill 46 (2017), Resolution 17-149, Resolution 17-150, and the discussion on the motor vehicle weight tax to the agenda with no objections from the three members present. (Ayes: Elefante, Pine, Manahan – 3; Noes: None.)

The Committee Chair noted that the items would be taken up at the end of the agenda.

### FOR ACTION

#### 1. RESOLUTION 17-128 – COMMITTEE REPORT 222

COLLECTIVE BARGAINING. Approving collective bargaining cost items for the Hawaii Fire Fighters Association Bargaining Unit 11 included and excluded managerial employees of the City and County of Honolulu.

#### Administration/Others

Carolee Kubo, Director, Department of Human Resources

Director Kubo provided an overview of the arbitrated collective bargaining award for the Hawaii Fire Fighters Association Bargaining Unit 11, noting that it was a fair settlement.

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In response to Committee Member Elefante, Director Kubo stated that funds were appropriated in the Fiscal Year 2018 Budget to cover all of the collective bargaining contract renewals.

The following individual testified:

Celeste Nip, Hawaii Fire Fighters Association (support) (M-2833)

In response to queries by the members, Ms. Nip provided the following information:

- New contract negotiations for Bargaining Unit 11 will begin January 2018.
- The starting salary for a new fire fighter recruit is \$52,000.
- The water rescue program falls under the purview of the Honolulu Fire Department and is in the process of being revamped.

Committee Member Elefante noted for the record that he would be filing a Disclosure of Interest Statement with the City Clerk's Office (Communication CC-180).

Resolution 17-128 reported out for adoption.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.

NOES: None.

2. RESOLUTION 17-130 – COMMITTEE REPORT 223

ACCEPTANCE OF A GIFT. Accepting a gift to the City and County of Honolulu from the Deschutes County, Oregon Internal Audit Program, to pay for the cost of one peer review team member to travel from Honolulu to conduct a peer review.

There was no testimony from the Office of the City Auditor or the public.

Committee Chair Manahan provided a brief overview of the Resolution and asked for the members' support on the measure.

Resolution 17-130 reported out for adoption.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.

NOES: None.

3. RESOLUTION 17-134 – COMMITTEE REPORT 224

TRANSFER OF FUNDS. Authorizing a transfer of funds up to \$22,000 between characters of expenditure for the Department of Budget and Fiscal Services to cover a salary shortfall.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Koyanagi testified that the funds would be used to payout vacation to a former employee funded under the Solid Waste Special Fund.

Resolution 17-134 reported out for adoption.

AYES:           ANDERSON, ELEFANTE, PINE, MANAHAN – 4.  
NOES:           None.

Related communication:

D-333           Department of Budget and Fiscal Services, transmitting draft resolution.

4. RESOLUTION 17-138

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS. Establishing a City policy on the use of Community Development Block Grant Funds.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services  
(BFS)

Director Koyanagi provided an overview of an audit that was conducted by the U.S. Department of Housing and Urban Development's (HUD) Office of the Inspector General, an independent agency, on the City's Community Development Block Grant (CDBG) Funds Program.

Discussion ensued between the members and the Director on the following matters:

- The HUD recommended that the Administration work together with the City Council to develop a new CDBG Funds Program that focuses more on the development and redevelopment of City projects, and better meets the requirements of the HUD.
- Under the new CDBG Funds Program structure, nonprofit organizations would be given funds on a contractual basis; BFS would administer and monitor the program; the Managing Director would oversee the program; and a transfer of positions from the Department of Community Services to BFS may be required.
- Nonprofit organizations would continue to be given funds from smaller HUD grants.
- Currently, all projects are in compliance with the HUD requirements. However, one project, Hibiscus Hills, may be in jeopardy of non-compliance if the project requirements are not met by July 15, 2017. The project's failure to comply would result in an \$8.5 million payback to the HUD.

The following individuals testified:

1. Roy Nakamura, Financial Accountability for Rail Mass Transit (comments) (M-2832)
2. James K. Manaku, Sr. (comments)
3. Calvin Hulihee (comments)

Committee Member Pine requested that Resolution 17-138 be deferred to allow more time to work on the measure.

Action on Resolution 17-138 deferred.

AYES:           ANDERSON, ELEFANTE, PINE, MANAHAN – 4.  
NOES:           None.

5.    RESOLUTION 17-139 – COMMITTEE REPORT 225

TRANSFER OF FUNDS. Authorizing the transfer of funds up to \$200,000 between characters of expenditure for the Honolulu Fire Department to meet the salary needs of the Mechanic Shop.

Administration/Others

Lionel Camara, Deputy Fire Chief, Honolulu Fire Department (HFD)

There was no public testimony.

Deputy Chief Camara provided an overview of the Resolution.

Resolution 17-139 reported out for adoption.

AYES:           ANDERSON, ELEFANTE, PINE, MANAHAN – 4.

NOES:           None.

Related communication:

D-341           Honolulu Fire Department, transmitting draft resolution.

6.   RESOLUTION 17-142 – COMMITTEE REPORT 226

TRANSFER OF FUNDS. Authorizing the transfer of funds up to \$1,320,000 between characters of expenditure for the Honolulu Police Department to fund projected fourth quarter payroll requirements for various bureaus in the department.

Administration/Others

William Axt, Acting Deputy Chief, Honolulu Police Department

Acting Deputy Chief Axt provided an overview of the Resolution.

The following individuals testified:

1.   Roy Nakamura (comments)
2.   James K. Manaku, Sr. (comments)
3.   Calvin Hulihee (comments)

Resolution 17-142 reported out for adoption.

AYES:           ANDERSON, ELEFANTE, PINE, MANAHAN – 4.

NOES:           None.

Related communication:

D-355 Honolulu Police Department, transmitting draft resolution.

7. RESOLUTION 17-143 – COMMITTEE REPORT 227

TRANSFER OF FUNDS. Authorizing the transfer of funds of \$150,000 between characters of expenditure for the Honolulu Fire Department to repair the Kalihi Kai Fire Station's underground sewer system infrastructure.

Administration/Others

Lionel Camara, Deputy Fire Chief, Honolulu Fire Department

There was no public testimony.

Deputy Fire Chief Camara provided an overview of the Resolution.

Resolution 17-143 reported out for adoption.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.  
NOES: None.

Related communication:

D-356 Honolulu Fire Department, transmitting draft resolution.

8. RESOLUTION 17-144 – COMMITTEE REPORT 228

ACCEPTANCE OF A GIFT (OCA). Accepting a gift to the City from the Association of Government Accountants (AGA) valued at up to \$2,500 for the costs of registration fees and lodging for one auditor from the Office of the City Auditor to attend the AGA Professional Development Training in Boston, Massachusetts from July 8 – 12, 2017.

There was no testimony from the Office of the City Auditor or the public.

Committee Chair Manahan provided a brief overview of the Resolution and asked for the members' support on the measure.

Resolution 17-144 reported out for adoption.

AYES:       ANDERSON, ELEFANTE, PINE, MANAHAN – 4.  
NOES:       None.

Related communication:

CC-170       Office of the City Auditor, transmitting draft resolution.

9.    BILL 49 (2017)

SPONSORSHIPS. Addressing the sponsorship of city assets.

Administration/Others

Guy Kaulukukui, Director, Department of Enterprise Services

Committee Member Anderson, co-introducer of the Bill, provided an overview of the measure.

Director Kaulukukui stated that the Administration took no position on the Bill and looked forward to further discussion on the measure with the Council.

The following individuals testified:

1.    Kathy Whitmire, The Outdoor Circle (oppose) (M-2848)
2.    Winston Welch, The Outdoor Circle (oppose) (M-2849)
3.    James K. Manaku, Sr. (comments)

Committee Member Anderson requested a one-month deferral of Bill 49 (2017) to allow further discussion with The Outdoor Circle and the Administration.

Committee Member Pine thanked the Bill's introducers, Committee Member Anderson and Councilmember Kobayashi, for their continued efforts to resolve the issue.

Councilmember Ozawa suggested that an advisory commission be established to address the issues and concerns of signage and sponsorship.



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Action on Bill 49 (2017) deferred.

AYES:       ANDERSON, ELEFANTE, PINE, MANAHAN – 4.  
NOES:       None.

10. BILL 45 (2017)

TRANSPORTATION SURCHARGE. Amending the ordinances pertaining to the county surcharge on general excise and use taxes.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services

Director Koyanagi stated that the Administration had concerns with Section 2 (b) (3) of the Bill.

The following individual testified:

Roy Nakamura (comments)

Committee Chair Manahan recommended that the Bill be deferred until a decision is rendered from the State Legislature on the General Excise Tax surcharge.

Action on Bill 45 (2017) deferred.

AYES:       ANDERSON, ELEFANTE, PINE, MANAHAN – 4.  
NOES:       None.

Related communications:

MM-46       Mayor Kirk Caldwell, transmitting draft bill.  
M-2828      Lynne Matusow (oppose)

SUNSHINE ITEMS

At this juncture, Committee Chair Manahan took up the Sunshine items.

RESOLUTION 17-149 – COMMITTEE REPORT 229

COLLECTIVE BARGAINING. Approving collective bargaining cost items for the Hawaii Government Employees Association Bargaining Units 2, 3, 4, and 13, included, excluded, and excluded managerial employees of the City and County of Honolulu.

Administration/Others

Carolee Kubo, Director, Department of Human Resources

There was no public testimony.

Director Kubo provided an overview of the arbitrated collective bargaining awards for the Hawaii Government Employees Association Bargaining Units 2, 3, 4, and 13. The Director stated that contracts for the following collective bargaining units are still pending: United Public Workers Union Units 1, 10, 14 and the State of Hawaii Organization of Police Officers Union.

Committee Member Elefante noted for the record that he would be filing a Disclosure of Interest Statement with the City Clerk's Office (Communication CC-181).

Resolution 17-149 reported out for adoption.

AYES: ELEFANTE, PINE, MANAHAN – 3.

NOES: None.

EXCUSED: ANDERSON – 1.

Related communication:

MM-59 Mayor Kirk Caldwell, transmitting draft resolution.

RESOLUTION 17-150 – COMMITTEE REPORT 230

TRANSFER OF FUNDS. Authorizing a transfer of \$75,000 between characters of expenditure for the Department of the Prosecuting Attorney to purchase a Mobile Command Vehicle.

There was no testimony from the Administration or the public.

Committee Chair Manahan provided a brief overview of the Resolution and asked for the members' support on the measure.

Committee Member Elefante requested that the purpose of the Mobile Command Vehicle be provided to the Committee.

Resolution 17-150 reported out for adoption.

AYES: ELEFANTE, PINE, MANAHAN – 3.  
NOES: None.  
EXCUSED: ANDERSON – 1.

#### ADDENDUM ITEMS

At this juncture, Committee Chair Manahan took up the addendum agenda items.

1. BILL 22 (2017), CD1

PUBLIC SPAY AND NEUTER CLINIC. Amending the City's spay and neuter clinic and program.

This item was cancelled.

2. BILL 46 (2017) – COMMITTEE REPORT 221

MUNICIPAL GOLF COURSE FEES. Relating to fees for use of municipal golf courses.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 46 (2017) (Submitted by Councilmember Manahan) – The CD1 (OCS2017-0570/5/22/2017 3:27 PM) makes the following amendments:

1. The existing golf course green fees are amended as follows:

Person with Golf ID Card:	No Change
Senior or totally disabled with golf card:	No Change
Junior Golfer with Golf ID Card:	Decrease to \$0.00
Person without Golf ID Card:	
18 hole round	\$11.00 increase
9 hole round and twilight	\$2.50 increase

2. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Guy Kaulukukui, Director, Department of Enterprise Services

There was no public testimony.

Councilmember Ozawa, the introducer, provided an overview of the Bill and the posted proposed CD1.

Director Kaulukukui testified that the Administration supports the proposed CD1 and remains hopeful that it would encourage participation of junior golfers to continue building the market.

In response to Committee Member Elefante, Director Kaulukukui stated that the Bill would not apply to junior or high school golf tournaments. The rates for all golf tournaments are specified in another City ordinance.

Councilmember Ozawa asked for the members' support on the measure and thanked the Committee Chair for his efforts on the measure.

Committee Chair Manahan recommended that Bill 46 (2017) be amended to the posted CD1 and reported out for public hearing and third reading. The Committee Chair stated that Bill 46 (2017), CD1 would be the vehicle to amend the municipal golf course fee structure.

Committee Member Elefante spoke in support of the Committee Chair's recommendation and thanked Councilmember Ozawa for his tireless efforts on the measure.

Committee Member Pine thanked everyone for their efforts, which resulted in a more polished and refined Bill.

Bill 46 (2017) amended to CD1 (OCS2017-0570/5/22/2017 3:27 PM) and reported out for the scheduling of a public hearing and passage on third reading.

AYES: ELEFANTE, PINE, MANAHAN – 3.

NOES: None.

EXCUSED: ANDERSON – 1.

FOR DISCUSSION ONLY

3. MOTOR VEHICLE WEIGHT TAX

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services  
Sheri Kajiwarra, Director, Department of Customer Services

There was no public testimony.

Discussion ensued between the members and the Administration on the following matters:

- The Federal Servicemember's Civil Relief Act (SCRA) provides tax exemptions to military personnel if they reside in another state. The exemptions include taxes on licenses, fees or excises imposed on motor vehicles if the license fee or excise is paid in the servicemember's state of residence.
- Under the SCRA, there is no limit to the number of vehicles that qualify for exemption and it applies only to out-of-state military personnel, and extends to spouses of out-of-state military personnel.
- State House Bill 2605, passed in 2008, gives similar tax exemptions to resident military personnel serving in the Reserves and the National Guard. Under the law, only one vehicle per resident military personnel qualifies for the tax exemption.
- Resident military personnel would pay \$72.50 for a motor vehicle registration, which includes a state fee, a county fee, a beautification fee, an emblem fee and no other taxes.
- Out-of-state military personnel would pay \$20.50 for a motor vehicle registration, which includes a county fee, an emblem fee and no other taxes.
- If the motor vehicle weight tax bill becomes law, the Department of Customer Services would conduct public outreach by sending out mailers and media releases.
- The impact of the military exemptions on revenue cannot be determined because the exemption varies according to the weight of the vehicles.

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Approximately 68,000 vehicles are registered to out-of-state military personnel and approximately 5,000 vehicles are registered to resident military personnel.

- Unfortunately, the many abandoned vehicles registered to out-of-state military personnel have become a huge problem.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:41 a.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a series of loops and a long horizontal stroke extending to the right.

GLEN I. TAKAHASHI  
City Clerk

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DATE APPROVED

August 23, 2017